

# **Emissions Reduction Plan**

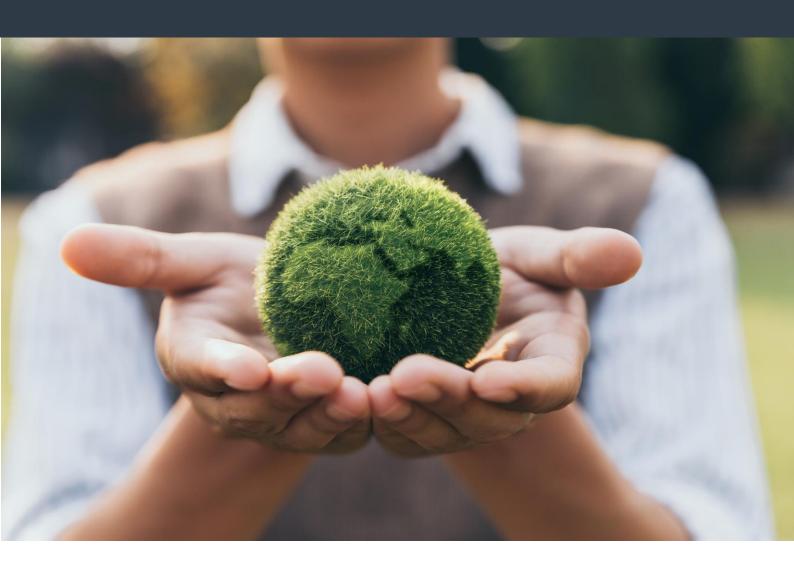
2024-2025











# **Acknowledgement of Country**

IP Australia acknowledges the Traditional Owners and custodians of the lands on which we work, and we pay our respects to their Elders past, present and emerging.

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# **Declaration and Sign Off**

#### Introduction

Climate change will continue to have significant effects on the environment, society and economy with impacts felt across the Government's operations. IP Australia acknowledge that human behaviours, pollution, and consumption patterns have both immediate and future impacts on the climate and environment, and that as a Commonwealth entity it is part of our role to mitigate and manage these impacts on our community.

This Declaration establishes our position and commitments to reduce emissions.

IP Australia supports the environment, social and economic benefits of addressing climate change immediately. We see an opportunity to demonstrate leadership in emissions reduction.

#### Commitment to achieving net zero

IP Australia is committed to achieving net zero emissions by 2030.

IP Australia recognises that climate change is occurring, and that climate change will continue to have a significant effect on the Australian environment, society, and economy.

We acknowledge the central role of Government in driving a successful climate response. Hence, we declare that we are committed to reducing operational emissions, through the implementation of mitigation and adaptation strategies.

Our overall objectives align with the Net Zero in Government Operations Strategy to reduce our operational emissions.

SIGNED BY ACCOUNTABLE AUTHORITY

Michael Schwager

Director General

6/6/24

### **Emissions Reduction Plan**

### Introduction

International scientific consensus is that climate change is occurring and that it is driven by anthropogenic causes, with human activities having a profound impact on the concentration of greenhouse gas emissions since the start of the industrial revolution. Ultimately these activities, such as the burning of fossil fuels, land clearing and agriculture, have increased greenhouse gas concentrations in the atmosphere, leading to changes in the climate system.

For IP Australia, projected changes to our climate between now and 2030 include:

- Further increase in temperatures, with more extremely hot days and fewer extremely cool days.
- More heat waves that will be longer and hotter.
- A decrease in cool-season rainfall across southern Australia.
- More frequent. Longer and more intense droughts across southern Australia.
- More intense heavy rainfall throughout Australia, particularly for short-duration extreme rainfall events (storms).
- An increase in the number of high fire weather danger days and a longer fire season for southern and eastern Australia.

### Purpose

IP Australia has an essential role in managing and implementing emissions reduction initiatives set by the Australian Government's Net Zero in Government Operations Strategy (the Strategy) developed by the Department of Finance. The Strategy is the first of many steps in Australian Government's approach to achieving net zero greenhouse gas emissions in its operations and reinstatement of public emissions reporting.

This plan sets out the steps that IP Australia will take to achieve APS Net Zero by 2030. This plan encompasses new and existing initiatives within IP Australia to reduce emissions and contribute to the APS Net Zero target by 2030.

The goal of this plan is to provide a pathway for IP Australia to meet net zero emissions targets through emissions reduction activities.

# Net zero greenhouse gas emissions

APS Net Zero 2030 is the target set by the Australian Government to achieve net zero greenhouse gas emissions from government operations by the year 2030. Net zero is achieved when consumption of resources, such as electricity, is reduced as far as possible, and energy is supplied from renewable sources. Where unavoidable greenhouse gas emissions remain, they are balanced through carbon offsetting.

From an organisational perspective, this means minimising the greenhouse gas emissions that are within our control.

### Scope

#### **Inclusions**

Emissions reduction activities will align with the Strategy, with the initial focus on Scope 1 (emissions from sources owned or controlled by Government) and Scope 2 (indirect emissions which generate electricity) greenhouse gas emissions. Future reviews will consider additional inclusions to align with the Strategy and organisational activities, including the consideration for Scope 3 (indirect emissions produced through Government activities).

#### **Exclusions**

Activities by Commonwealth entities that take place outside of Australia or its territories, including international air and marine travel, are not included in Australia's Nationally Determined Contribution (NCD), and are not included in the APS Net Zero 2030 target or subject to the Strategy. Where we undertake these activities, we will act as appropriate to reduce our emissions in the relevant local context as an aspirational goal for the Australia Government to demonstrate leadership and advance Australia's climate diplomacy objectives.

#### Governance

This plan will be updated annually, with a summary to be incorporated into our annual report. Progress against actions identified within the Emissions Reduction Plans are to be included in our annual reports. This, combined with annual emissions reporting, will be used as a measure of IP Australia's progress towards reduction its emissions.

As part of the Net Zero in Government Operations Annual Progress Report, the Department of Finance will aggregate these measures to provide the Whole of Australian Government (WoAG) aggregated emissions reductions activities.

Future iterations of this plan will align with the Offset strategy and Commonwealth Climate Disclosure requirements that are currently under-development by the Climate Action in Government Operations within Department of Finance.

# IP Australia Operational context

IP Australia has a low exposure to climate risk as we provide our services primarily through online channels. However, we are committed to continuously considering how we deliver those services in line with reducing emissions and moving towards Net Zero by 2030.

We operate across Australia, with approximately 1,300 personnel working across all states and territories. Our Head Office (Discovery House), located in Canberra, has approximately 750 personnel allocated, the Melbourne Office (MIPO) has approximately 90 personnel allocated, with

the remaining personnel on fulltime flexible working arrangements working from home in various states and territories. Our facilities also include office spaces in Adelaide and Sydney (Note: Sydney and Adelaide are pilot arrangements hosted with other Commonwealth entities); and two data centre spaces located in Canberra, all locations can incur extreme temperature.

Discovery House has a Net Lettable Area (NLA) of 20,797 square metres (sqm) with 5,937.2sqm in the West Wing (ground, first and second levels) sub-leased to Clean Energy Regulator (CER). IP Australia currently have West Wing levels three and four advertised for sub-tenants to occupy vacant space. There is also a café and childcare centre licenced in the ground floor foyer area of the building. Base building NABERS Energy rating is 5.5 and the NABERS Water rating is 5. The lease term for Discovery House expires 20 September 2032 with a five-year option to extend.

Melbourne (MIPO) has an NLA of 955.4sqm on part of level 5 in a multi-tenancy building. Base building NABERS Energy rating is 4.5. The MIPO lease expires 30 April 2028 with no option to extend. In line with the Commonwealth Leasing Strategy, IP Australia will participate in a Joint Approach to Market for a new leasing arrangement prior to the current lease expiring.

The Sydney Hub is a pilot arrangement with 30 workpoints hosted within the Department of Health and Aged Care's office space. The arrangement commenced in August 2023, and was scheduled as a 12-month trial to assess viability of a permanent office space in Sydney. Success of this pilot will be measured based on staff usage of the site during the trial period and satisfaction of staff measured by a survey.

The arrangement in Adelaide is for 4 workpoints hosted within the Department of Industry, Science and Resources office space. It is anticipated this will commence in May 2024 for a 12-month period to assess viability of a permanent office space in Adelaide. Success will be measured the same as the Sydney Hub.

IP Australia leases a minimum of 25sqm of servers and server rack space at the Canberra Data Centre in Hume and Fyshwick locations to house our data offsite and enable ICT backup as part of our Disaster Recovery Plan. This arrangement was necessary following the relocation of our data centre from Discovery House during the Future Way Of Working (FWOW) program of works completed in 2020.

IP Australia has already commenced its net zero emissions pathway in line with the direction set in the Strategy. This includes the following key activities:

#### **Net Zero Energy**

- Planning is underway for the design and installation of a rooftop solar PV system at Discovery House for tenant's energy usage and metering, scheduled to be completed in calendar year 2024.
- Scope 2 electricity:
  - Canberra's electricity contract is under Defence's electricity panel. IP Australia will transition to the WoAG Electricity Panel arrangements once Department of Finance has finalised the procurement.
  - Melbourne's electricity is purchased from the landlord through connection to an embedded electricity network which means a private electricity distribution network in

- the building (that forms part of the national grid), is used to supply electrical energy to tenants within the building.
- Sydney and Adelaide's electricity is included as part of the workpoint hosting expense.
- Usage data is provided through IP Australia's Property Management Provider's environmental management dashboard, Canopy.

#### **Net Zero Buildings**

- Canberra (Discovery House):
  - o Base building Energy NABERS rating of 5.5 and Water NABERS rating of 5.
  - o Existing Green Lease Schedule.
  - Tenant's office operations are electrified however, base building uses gas for boiler, and the sub-tenant Café and Childcare also have gas cooking facilities.
  - o LED lighting
- Melbourne (HWT Tower):
  - Base building Energy NABERS rating of 4.5. IP Australia occupy partial floor on level 5
     with an NLA of 955.4sqm which is currently under the 1,000sqm threshold.
  - o LED lighting
- Sydney (Centennial Plaza A):
  - Base building has an Energy rating of 4.5. IP Australia hosts 30 workpoints from the
     Department of Health and Aged Care which equates to an NLA of approximately 420sqm which is under the 1,000sqm threshold.
  - o The Department of Health and Aged Care's Head Lease has a Green Lease Schedule
- Adelaide
  - IP Australia hosts 4 workpoints from the Department of Industry, Science and Resources which equates to approximately 56sqm which is under the 1,000sqm threshold.

#### **Net Zero Procurement**

• IP Australia has incorporated a Sustainable Procurement Strategy within our procurement approval processes to ensure sustainability is a consideration in all procurement activities.

#### **Net Zero Fleet**

• IP Australia does not have fleet vehicles.

#### **Net Zero Travel**

Scope 3 – business air travel – data is provided from the Department of Finance's WoAG Travel
 Arrangement team.

#### **Net Zero ICT**

• IP Australia's Data Centres have been engaged under the Australian's Government's Data Centre Panel.

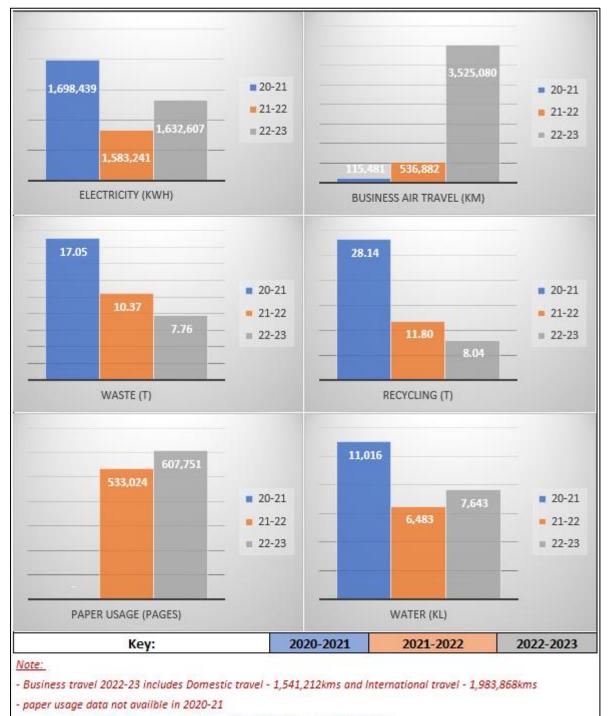
#### People, Culture and Capability

- IP Australia has existing governance and framework in place for people, culture and capability.
   These include:
  - An Executive Environmental Champion to promote sustainability in day-to-day activities.
  - An Environmental Management Sub-Committee (EMSC) The EMSC meets on a quarterly basis to discuss quarterly performance reporting, internal audit findings, engagement, and initiatives. The EMSC reports to the Investment, ICT, and Property Committee (IIPC) and provides an Environmental Annual Management Review.
  - Engagement with staff via intranet content, group's relevant EMSC representative, and
     Viva Engage Community.

#### **APS Net Zero Emissions Reporting Framework**

- IP Australia has had an Environmental Management System (EMS) since 2008 which has been ISO14001:2015 certified since 2010. Recertification was received in October 2023 and is assessed annually with recertification every three years.
- IP Australia's EMS captures and monitors performance data which is reported to the EMSC on a quarterly basis for:
  - Electricity
  - o Business air travel
  - Waste and recycling
  - o Paper usage
  - Water consumption
  - Other performance data captured includes:
    - E-waste
    - Container Deposit Scheme
    - Collection containers for batteries, spectacles, mobile phones, toner cartridges, and other reusable items.
- The EMSC quarterly reports are consolidated into an Environmental Annual Management Review which is reported to IIPC. Diagram 1 and Table 1 detail the performance data reported to IIPC for financial year 2022-2023.

<u>Diagram 1</u> – 2022-2023 Environmental Performance Data Graphs



- waste and recycling data not available for Oct, Feb or March Q2&3 2022-23

Table 1 – 2022-2023 Environmental Performance Data Graphs

Performance comparison table				
Resource	20-21	21-22	22-23	
Electricity (kwh)	1,698,439	1,583,241	1,632,607	
Resource	20-21	21-22	22-23	
Business Air Travel (km)	115,481	536,882	3,525,080	
Resource	20-21	21-22	22-23	
Waste (t)	17.05	10.37	7.76	
Resource	20-21	21-22	22-23	
Recycling (t)	28.14	11.80	8.04	
Resource	20-21	21-22	22-23	
Paper usage (pages)	-	533,024	607,751	
Resource	20-21	21-22	22-23	
Water (kL)	11,016	6,483	7,643	

### Baseline emissions

Baseline emissions are a record of greenhouse gasses that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. The baseline emissions are the reference point against which emissions reduction can be measured.

At this stage the APS Net Zero 2030 target includes Scope 1 and Scope 2 emissions. Decisions on Scope 3 will be made in the future as further data becomes available. The baseline emissions for this plan will focus on those emissions.

<u>Table 2</u> – 2022-23 Emissions Reporting Baseline

Baseline year	Financial year 2022-23
Scope 1 emissions	Nil tCO <sub>2</sub> e
Scope 2 emissions	840.372tCO₂e
Total emissions	840.372tCO₂e

Time series show historical emissions trends and track the effects of emission reduction strategies. Efforts will be made to calculate the time series using the same methods and data sources in all

years. However, as emissions measurements, data collection methods, methodological refinements and reporting requirements are expected to be continually added and improved upon, strategies to ensure time-series consistency are being implemented from the outset. Key to ensuring confidence in time-series consistency will be the diligent documenting of approached to emission estimate, including methodologies and data sources, in the Net Zero in Government Operations Annual Progress Reports.

### Engagement

In development of this plan IP Australia has been working with:

- Department of Finance (DoF).
- Climate Action in Government Operations to ensure that this plan aligns with the Net Zero in Government Operations Strategy.
- Financial Policy and Operations team –considerations for travel emissions.
- Procurement, ITG teams providing information on upcoming WoAG Policy changes.
- Department of Industry, Science and Resources (DISR) –shared considerations and aligning the calculation of targets where possible.
- Clean Energy Regulator (CER) to discuss options for the shared location at Discovery House, and any relevant outcomes to lower emissions.
- Building Management to discuss considerations for improvements on building standards and relevant outcomes to lower emissions.

# **Emissions reduction targets**

The Emissions Reduction Plan has been completed in accordance with the Net Zero in Government Operations Strategy, associated guidance, reporting standards for annual emissions reporting.

We are unable to predict the agency's anticipated emissions reduction for FY 2024-25 at this point. This is due to the inability to predict the impact from projects yet to be scoped and approved – for example the installation of solar PV system at Discovery House scheduled to be completed by the end of 2024. A clearer understanding of the impact of projects that will contribute to reduction efforts will be better understood in the next reporting period.

To achieve Net Zero by 2030, we will explore or identify projects that have a key focus on emissions reductions outcomes. Further information regarding targets and actions is detailed below.

IP Australia's emissions reduction targets will be developed using the following considerations:

- Climate-related metrics and targets for entities are set by centrally driven policy frameworks, including the APS Net Zero Emissions Reporting Framework and the APS Net Zero by 2030 target.
- The APS Net Zero by 2030 target forms part of Australia's international climate commitments, including Australia's Nationally Determined Contribution under the Paris Agreement.
- The APS Net Zero by 2030 target is a net emissions reduction target.

- The APS Net Zero by 2030 target includes scope 1 and scope 2 emissions, with decisions on scope 3 to be made in the future as further data becomes available.
- Emissions are calculated using DoF's Emissions Reporting Tool.
- The APS Net Zero by 2030 target was not derived using a sectoral decarbonisation approach.
- APS Net Zero by 2030 target will apply to the whole of IP Australia.
- Additional guidance on climate-related metrics will be provided by DoF.

### Priorities and actions

IP Australia's current sustainability measures are not sufficient to achieve net zero by 2030. To achieve net zero, targeted action on existing measures and the introduction of further or new measures is required. These actions include:

- Procuring renewable electricity as part of the WoAG Electricity procurement.
- Ongoing work with Building Management to improve overall building emissions.

#### Additional actions:

- Following the completion of the solar PV system installation at Discovery House conduct an analysis on the associated emissions reduction and future emission reduction targets and measures.
- LED lighting upgrade planning in storage and parking areas of Discovery House

#### **Buildings**

IP Australia current has approximately 4,000 sqm advertised for a sub-tenant/s at Discovery House. With the increased uptake of flexible working arrangements, the reduction of staff attending the office daily has significantly reduced leaving excess vacant space that could be occupied by another entity.

ACTION: IP Australia will include a clause in leasing documentation (Sub-lease, Memorandum of Understanding, or Licence) to ensure any sub-tenant is aware of their obligations in complying with IP Australia's Emissions Reduction Plan and existing environmental and sustainable operations in line with the Climate Action in Government Operations Strategy.

#### **Electricity**

#### Renewable electricity

IP Australia's Canberra office electricity is currently on the Department of Defence electricity panel arrangement. This will be extended to align with the implementation of the WoAG electricity procurement. The Melbourne office electricity is currently supplied by the landlord under the lease arrangement.

ACTION: Consulted with the Department of Finance to ensure participation in WoAG electricity procurement as per the Strategy and replace all electricity contracts with renewable electricity.

Further consultation will be required for the Melbourne office to determine if the WoAG electricity procurement can include these arrangements.

Solar PV installation / upgrade

IP Australia are in the planning stages for the installation of solar PV system to Discovery House. The energy generated from the solar PV system will be tenant usage or go back to the grid (there will be no onsite battery storage). Separate meters will be installed on each floor within the west wing of the building so IP Australia's sub-tenants can validate their usage.

ACTION: IP Australia have engaged their Property Service Provider (PSP), Jones Lang LaSalle (JLL), under a Schedule 12 work order to provide Property Management and Managing Contractor Services for the design and installation of rooftop solar PV system at Discovery House. This project is scheduled for completion in calendar year 2024.

#### **Fleet**

IP Australia does not have fleet vehicles.

ACTION: Not applicable.

#### **Travel**

IP Australia to update the Travel Policy to include relevant travel considerations in line with the Strategy and provide communication and education to staff on these amendments.

ACTION: IP Australia's Financial Policy and Operations team to review the existing policy and make the required amendments. The amendments will include selecting the option to fly carbon neutral when booking flights; enabling use of low-emissions sources of transport, such as trains or other land-based transport; consideration of emissions information when procuring through WoAG travel arrangements, for example direct flights instead of stopover flights, where practicable, due to the most fuel intensive part of a flight is take-off and landing; how to accurately use the WoAG enhanced travel reporting to ensure the new 'Purpose of Travel' codes are used appropriately when booking travel; and the consideration of Hotel NABERS Energy ratings when booking accommodation once this information is available in the Online Booking Tool.

## **Revision History**

This document is required to be reviewed annually or where there has been a significant change to IP Australia's operations or organisational structure.

Date	Amendments	Approved
30/05/2024	New Document	Investment, ICT and Property
		Committee (IIPC)

# Annexure A - Involved participants

The following have been involved in the development of this plan:

Division/Branch	Title	Name
FPSG / Property and Services	Director Property and Services	Louise Levy
FPSG / Property and Services	Assistant Director Property and Services	Megan Williams
FPSG	Group Coordinator	Bronwyn Paschalidis
FPSG / Financial Policy and Operations	Director Financial Policy and Operations	Vicky Doykas
FPSG / Financial Policy and Operations	Assistant Director Business Improvements	Donna Ryan
FPSG / Financial Policy and Operations	Overseas Travel Officer	Ann Quirk
Governance Group / Procurement and Contract Management	Director Procurement and Contract Management	Fern Makeham
Governance Group / Portfolio Management Office	Director Portfolio Management Office	Felicia Gundelach
Governance Group / Enterprise Risk	Chief Risk Officer	Melissa Tooke
ITG / Infrastructure and Technology Operations	Assistant General Manager Infrastructure and Technology Operations	Steve Moore
ITG / Infrastructure and Technology Operations	Director Projects and Initiatives	Amanda McKenzie
Environmental Management Sub-Committee (EMSC)	Quorum of EMSC	
Investment, ICT and Property Committee (IIPC)		